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C O N F I D E N T I A L ASUNCION 001023

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NSC FOR SUE CRONIN SOUTHCOM FOR POLAD

E.O. 12958: DECL: 10/03/2026

TAGS: PREL MASS KICC PTER PINR VZ BR AR PA

SUBJECT: PARAGUAY SEEKS TO CLARIFY POSTURE ON IMMUNITIES

AND U.S. MILITARY EXERCISES

REF: ASUNCION 1020

Classified By: PolCouns James P. Merz; Reasons 1.4(b),(d)

11. (C) SUMMARY: FM Ramirez told the Ambassador October 6 President Duarte had decided to terminate the extension of immunities to U.S. participants in military exercises after 2006 but conveyed openness to finding a way to continue extending immunities for participants in Medical Readiness Exercises (MEDRETES). Ramirez assured us that Paraguay was committed to applying the same treatment to other States, indicating this would require a renegotiation of Paraguay,s military cooperation agreements with Argentina and Brazil both of which will come up for renewal shortly. The Ambassador signaled Paraguay,s decision could impact the U.S. ability to provide Paraguay with various forms of military assistance and training for lack of U.S. partners in country. END SUMMARY.

Duarte Decides Against Immunities for Military Exercises

 $\P2$. (C) FM Ramirez requested a meeting with the Ambassador to revisit their October 3 discussion of Paraguay's decision not to extend administrative and technical immunities to participants in military exercises after the current military cooperation agreement ends in December 2006. The Ambassador had given the Foreign Minister pause when they last met by informing him that Paraguay extended "A&T" immunities to Argentina and Brazil in the context of military cooperation agreements with them. The Foreign Minister told the Ambassador October 6 he had discussed this matter again with the President who had confirmed his decision not to extend immunities to participants in military exercises after 2006. He further noted that Paraguay was committed to applying the same treatment to other States, indicating this would require a renegotiation of Paraguay,s military cooperation agreements with Argentina and Brazil both of which will come up for renewal shortly. He assured us that Paraguay was prepared to continue extending immunities to military personnel accredited to the Embassy.

Opening the Door to Medical Exercises

13. (C) Ramirez appeared to want to draw a distinction between military exercises that take place in form of Joint Combined Exercise Training (JCET) with the participation of armed U.S. Special Forces personnel vs. humanitarian assistance via unarmed Medical Readiness Training Exercises (MEDRETES). Paraguay would not extend immunities to the former, but was open to exploring a way to continue extending

immunities to the latter by qualifying them as either "technicians" or "troops." To that end, the Minister and his staff invited us to meet the week of October 9 to discuss the definition of technicians vs military personnel as part of an effort to better define to whom the GOP would remain prepared to extend immunities.

Repercussions for U.S. Military Assistance

The Ambassador signaled Paraguay,s decision could impact the U.S. ability to provide Paraguay with various forms of military assistance and training. He noted that President Bush had just signed an ASPA waiver allowing the U.S. to reextend IMET training to Paraguay military personnel. Separately, Congress had authorized \$1.1 million in assistance for PKO training and equipment and we had been exploring additional assistance we could provide in the form of equipment to Paraguay's Special Forces. He noted, however, we need trainers on the ground of the variety that participate in the military exercises to ensure our assistance is effective. SOUTHCOM would have to decide whether it would authorize sending troops to participate in training exercises without immunities. Should the Commander decide that was not possible, it would become very difficult for us to provide our assistance.

Opposition Blames Duarte's Leftist Bent

¶5. (C) Coincidentally, the Ambassador met with the leaders of the opposition National Union of Ethical Citizens Party (UNACE) prior to his meeting with the Foreign Minister. They assured us the Congress would have approved the agreement on military cooperation with the U.S. had President Duarte decided to seek ratification. (NOTE. This tracks with what we've heard from other leading opposition leaders we've

lobbied privately. END NOTE.) They were convinced Duarte was responding to political pressure from abroad in deciding to end immunities.

Talking Points

- -- The U.S. has conducted military exercises in Paraguay for 63 years. Since 2000, over 100,000 Paraguayans have received medical attention in connection with Medical Readiness Exercises. These exercises have also helped professionalize Paraguay's military forces.
- -- The U.S. has Status of Forces agreements with 80 countries around the world, including many in Central and South America. Participants in all U.S. exercises with Paraguay have always received Administrative and Technical Status consistent with the terms of the Vienna Convention.
- -- The U.S. respects Paraguay's sovereign right to decide whether to conduct military exercises with the U.S. in Paraguay. We remain committed to continued military cooperation and are open to future discussions with the Government of Paraguay to that end.
- 17. (C) COMMENT. Paraguay has made it clear it will no longer extend immunities for participants in strictly military exercises after the current agreement expires in December 2006. We will meet next week to explore prospects for Paraguay's continuing to extend protections to participants in MEDRETES. Ramirez told us that Duarte had made his decision in large part based on his concern about the political repercussions in Paraguay but it would appear more likely he is responding just as much if not more to political pressure from his neighbors. A Vice-Presidential advisor has told us that Argentina offered a significant financial incentive. We have no way of verifying that but it is evident Paraguay has come under significant external pressure for maintaining extensive cooperation with the U.S.

We will need to consider carefully whether we can effectively to provide military training and assistance in the future in the absence of the experts we would like on hand to oversee its proper use. END COMMENT. CASON